Message Text

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E.O. 11652: N/A TAGS: ENRG, BE

SUBJECT: PETROLEUM SUPPLY SITUATION BELGIUM

1. FOLLOWING FIRST CABINET MEETING IN NEW YEAR ON JANUARY 4, PRIME MINISTER LEBURTON GAVE LOCAL PRESSRUNDOWN ON GOVERNMENT'S VIEW OF PETROLEUM SITUATION AND CURRENT POLICY VIS-A-VIS LOCAL CONTROLS. HE WAS MODESTLY OPTIMISTIC IN VIEW OF RECENT ARAB OIL PRODUCERS DECISION TO PROMOTE BELGIUM TO STATUS OF "FRIENDLY" COUNTRY AND TO MODERATE CUTBACKS. PRIME MINISTER CAUTIONED THAT WHILE PROSPECTS HAVE IMPROVED, PRUDENT POLICY OF CONSUMPTION IS CALLED FOR IN IMMEDIATE FUTURE. MINECONAFFAIRS CLAES AMPLIFIED LEBURTON'S COMMENTS BY STATEMENT THAT GOB DOES NOT RPT NOT PLAN TO RATION GASOLINE.

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2. ON SUNDAY, JANUARY 6 ON AFTERNOON TV INTERVIEW,

PRIME MINISTER REPLIED TO QUESTION BY STATING THAT GOVERNMENT'S PRIMARY POLICY OBJECTIVE IN 1974 WAS TO PROTECT FULL EMPLOYMENT IN FACE OF THREATS TO ECONOMIC GROWTH POSED BY PETROLEUM PROBLEM. HE ADDED THAT BELGIUM WAS NOT IN ANY WAY RESPONSIBLE FOR INTERNATIONAL CRISIS AND JUSTICE REQUIRED THAT BELGIAN GOVERNMENT ENSURE THAT ANY ADVERSE EFFECTS SUFFERED BY COUNTRY AS WHOLE NOT PASSED TO SECTORS OF COMMUNITY LEAST ABLE TO BEAR THEM.

- 3. IN RESPECT TO GOB CONTROL OVER INTERNAL CONSUMPTION, PRIME MINISTER ANNOUNCED, FOLLOWING JANUARY 4 CABINET MEETING, THAT FOLLOWING MEASURES WILL BE IN FORCE IN JANUARY:
- A. ROAD SPEED LIMITS WOULD BE MAINTAINED AT 80 AND 100 (ON SUPERHIGHWAYS) KM PER HOUR.
- B. RESTRICTIONS ON PUBLIC AUTHORITY AND PRIVATE STREET LIGHTING AND ADVERTISING.
- C. REDUCTION OF 5 PERCENT IN ELECTRIC POWER PRODUCTION (RESULTING IN 2-3 PERCENT REDUCTION IN FUEL CONSUMPTION).
- D. RENEWAL OF CONTROLS ON DISTRIBUTION OF FUEL OIL FOR HEATING PURPOSES.
- E. RECOMMENDATION TO REFINERY INDUSTRY TO EMPHASIZE PRODUCTION OF NAFTA (NEEDED FOR PETROCHEMICAL AND CHEMICAL INDUSTRIES) AS AGAINST BENZINE PRODUCTION.
- F. INSTALLATION OF A RATIONING SYSTEM FOR LIQUEFIEID GAS.
- G. CONTINUATION OF EFFORTS TO RECONVERT ELECTIC POWER STATIONS AND CEMENT FACTORIES TO COAL.
- H. PROHIBITION OF PRIVATE AUTOMOBILE USAGE FOR TWO SUNDAYS (JANUARY 13 AND 27) DURING MONTH.
- 4. IS FAIRLY CLEAR THAT BELGIAN SITUATION FAR FROM LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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SERIOUS. IT NOW APPEARS THAT CONSUMPTION CUTBACKS SPONSORED OR ENFORCED BY GOB SINCE OUTBREAK OF "CRISIS" APPROXMIATELY MATCHED 10 PERCENT SHORTFALL IN CRUDE OIL IMPORTS.

MINECONAFFAIRS SAID IN PARLIAMENT IN MID-DECEMBER THAT IN-COUNTRY STOCKS OF PETROLEUM PRODUCTS CHANGED AS FOLLOWS FROM NOVEMBER 26 - DECEMBER 10 (PERIOD WHEN ARAB CUTBACK IN PRODUCTION AND SHIPMENTS WERE SUPPOSED TO TAKE EFFECT): GASOLINE - 119 TO 120 DAYS; MIDDLE DISTILLATES - 113 TO 104 DAYS; FUEL OIL RESIDUALS - 99 TO 92 DAYS.

CONSIDERING THAT WEATHER TURNED COLDER DURING THAT PERIOD

AND THAT BELGIANS (INDIVIDUALS AND COMPANIES) WERE DRAWING DOWN OIL COMPANY STOCKPILES IN ORDER TO MAINTAIN THEIR PRIVATE STOCKS AT HIGHEST POSSIBLE LEVEL, SLIGHT DECLINE IN NATIONAL STOCKS ACTUALLY LESS THAN NORMALLY EXPERIENCED AT THAT TIME OF YEAR. WE UNDERSTAND FROM COMPANY SOURCES THAT BELGIAN CURRENT STOCK SITUATION REMAINS ESSENTIALLY UNCHAGED SINCE MINECONAFFAIRES STATEMENT AND THE TOTAL (KNOWN) STOCKS ARE NOW "WITHIN A VERY FEW DAYS OF WHAT THEY NORMALLY WOULD HAVE BEEN".STRAUSZ-HUPE

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